Construction Advisory

CA 2005-02-Rev.

February 25, 2005

From Brenda O'Brien, Engineer of Construction and Technology

MDOT-Construction and Technology Support Area P.O. Box 30049 Lansing, Michigan 48909 Phone/517-322-1087 Fax/517-322-5664 www.michigan.gov/mdot/

Index: Mobilization

Questions regarding this Construction Advisory should be directed to:

Jason Gutting, Construction Contracts Engineer, 517-322-6630 or guttingj@michigan.gov

Reimbursement of Project Specific Initial Costs

This construction advisory will serve as a reminder of initial project costs that can be reimbursed to the contractor through the contract bid item of mobilization.

Section 150.02 of the 2003 Standard Specifications for Construction allows for the reimbursement of project specific bonding, insurances and permits when the percentage of the original contract amount earned is less than five percent on the partial payment schedule, Table 150-1. These project costs (bonding, insurances and permits) will be reimbursed when the engineer receives paid invoices. These costs are to be

subtracted from the Mobilization pay item and partial payments will be made on the remaining balance.

If paid invoices are submitted by the contractor, please review the contract proposal to ensure Mobilization, Max __ is a project pay item. Additional details of partial payments related to this process should also be reviewed in Section 150.02 of the 2003 Standard Specifications for Construction.

Delivery/resident/ project engineers are requested to share this construction advisory with the local government engineers and consultant engineers within their jurisdiction.

